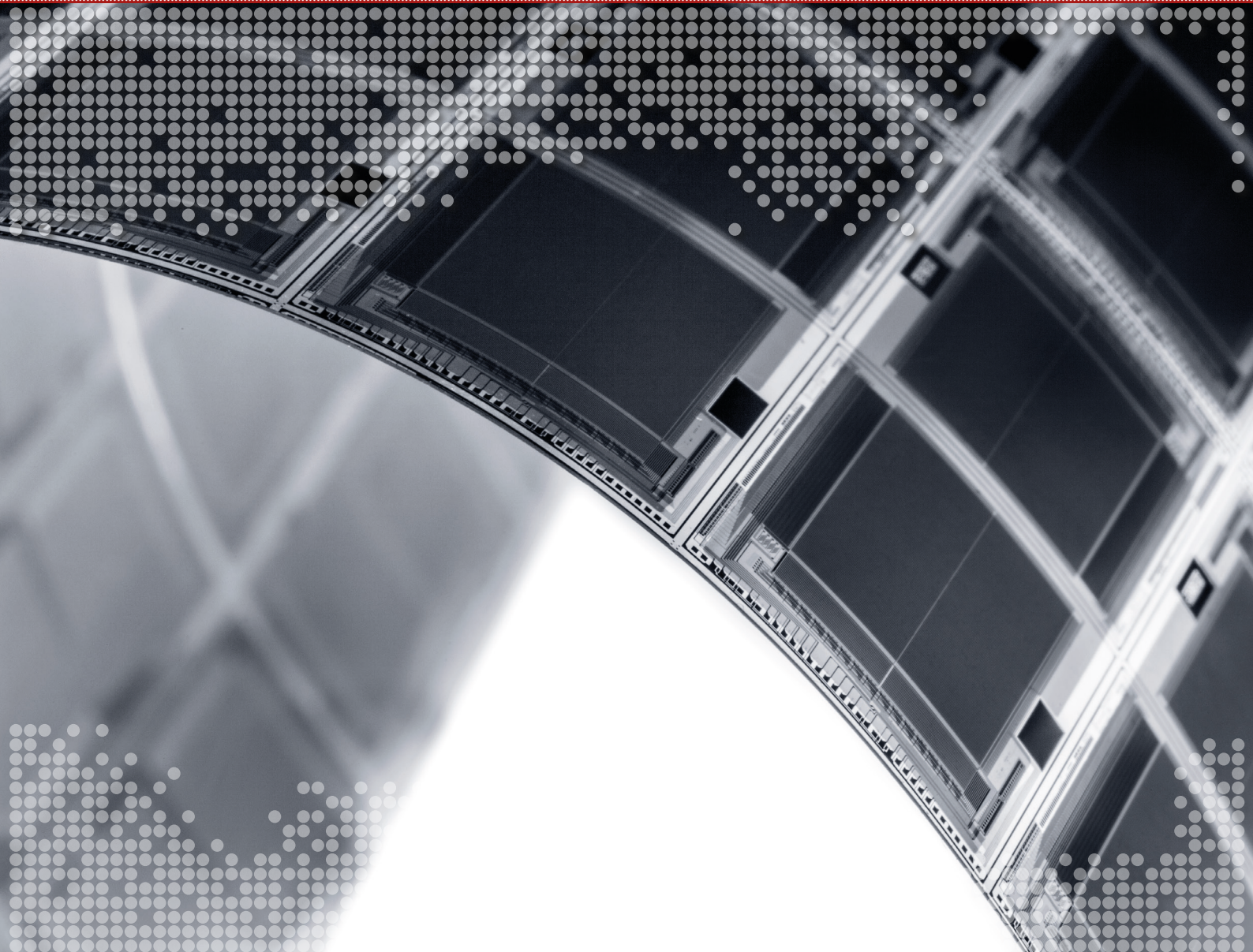




N E X T B I O M E T R I C S G R O U P A S A

Q U A R T E R L Y R E P O R T – Q 1 2 0 1 8





> HIGHLIGHTS

- Revenue of NOK 23.3 million vs NOK 24.7 million in Q4-17
- Positive gross margin of 19%, up from negative 4% in Q4-17
- Raised NOK 120 million in gross proceeds to fund growth
- Passed 4 million sensors shipped
- Management team reorganized to strengthen manufacturing and scalability
- Successful testing of new contactless smart card solution (April)
- Shipping first samples of contact-based smart card module to customers (May)

CEO comment

"We continue to develop a range of products featuring our proprietary, large and cost-efficient flexible fingerprint sensors with a focus on driving profitable growth within our targeted markets of smart cards, government IDs, access control and notebooks. Achieving 19% gross margin in the first quarter is a confirmation of our progress. In addition, the progress our technical teams are making in contactless smart card solutions and our sampling of contact-based smart cards with customers, show that NEXT's fingerprint sensor technology is gaining traction in our most important market."

Ritu Favre, the CEO of NEXT Biometrics Group ASA.



AMOUNTS IN NOK MILLION

(EXCEPT PER SHARE DATA & GROSS MARGIN)

	Q1-2018	Q4-2017	Q3-2017	Q2-2017	Q1-2017	2017	2016
Total revenue	23.3	24.7	25.4	24.0	24.1	98.2	92.1
Gross margin %	19%	-4%	-4%	-6%	-10%	-6%	
EBITDA	-38.8	-41.8	-38.6	-40.1	-42.9	-163.3	-187.3
EBITDA ex. Options	-37.8	-36.9	-35.2	-37.3	-40.7	-150.1	-184.3
Earnings per share - basic & diluted	-2.56	-3.23	-2.54	-2.56	-2.78	-11.11	-13.30
Closing cash balance ¹	108.6	79.7	123.1	160.1	222.2	79.7	106.3

¹ Includes NOK 65.7 million in net proceeds from tranche 1, additional NOK 51.2 million in gross proceeds paid in April



> OPERATIONAL REVIEW:

NEXT Biometrics (NEXT) reported its first positive gross margin in the first quarter of 2018 on increased shipments of the next generation fingerprint module with the new ASIC. The gross margin was 19% on the back of sales of NOK 23.3 million. Additionally, the company reached 4 million sensors shipped in March. Both milestones were in line with the company's previously stated targets.

On March 21, NEXT successfully completed a private placement of new shares raising a gross amount of NOK 120 million. The proceeds from the placements will be used to further scale company activities within the target smart card and government ID segments. In total, 2,857,142 million new shares were issued at a subscription price of NOK 42 per share. Gross proceeds of NOK 68.8 million (tranche 1) of in total NOK 120 million were registered in March. The remaining gross proceeds of NOK 51.2 million (tranche 2) were registered in April.

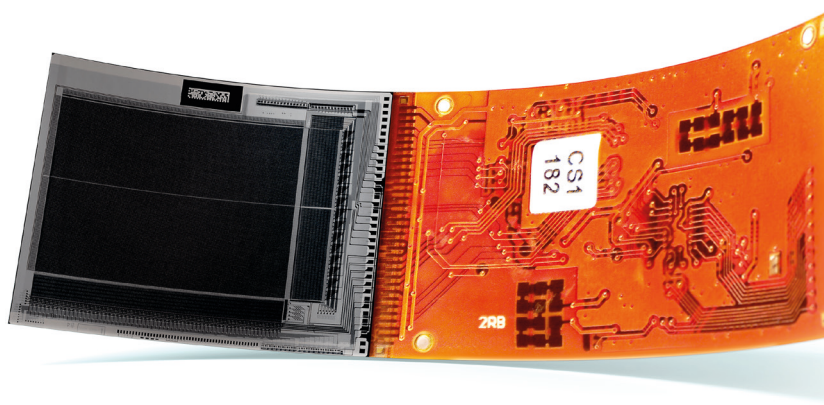
Achieving the 4 million sensors shipped figure in March, reflects NEXT's established position in the biometric ID market. Shipments of the next generation fingerprint module, the NB-2034-S2, to the company's Tier-1 U.S. notebook customer continued through the quarter and was an important driver for improved gross margins.

NEXT maintained focus on product development and marketing through the first quarter of 2018 to expand the business within the targeted smart card and government ID markets. The total number of ongoing design prospects and engagements grew through the period. NEXT has experienced a steady increase in interest in its unique technology after establishing mass-production capabilities for flexible fingerprint sensors in 2017 and the continued development of new technological advances.

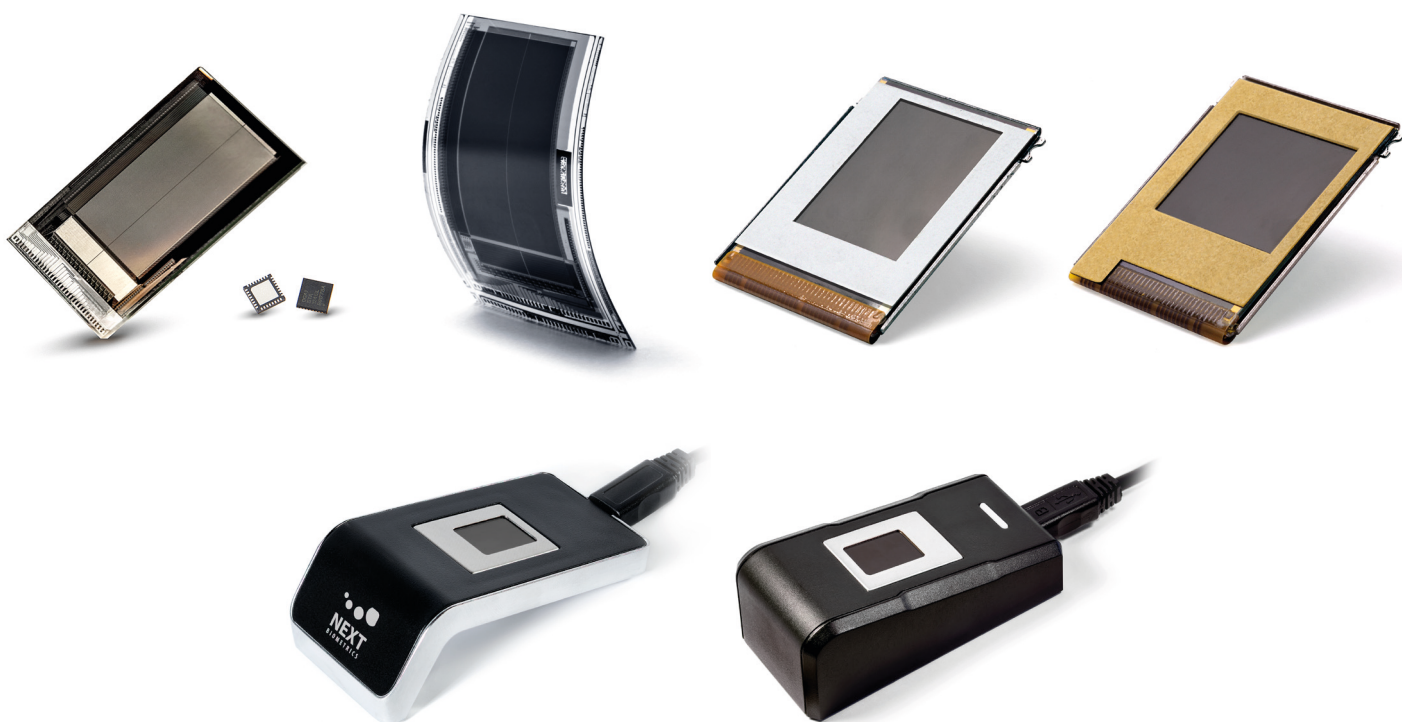
On April 25, NEXT announced it had achieved an important first step in meeting the key requirements necessary for commercialization of the company's fingerprint sensor technology for contactless smart cards. NEXT smart card modules successfully performed biometric functions powered only by an industry standard contactless card reader. The testing also showed NEXT's large area flexible sensors conducted these functions reliably and consistently. Meeting the necessary low-power requirements for securely processing biometric data wirelessly is one of the key technical issues that must be successfully addressed to build systems based on contactless smart card technology.

At the end of the quarter, NEXT reorganized the corporate management team to accelerate the transition to efficient manufacturing, improve yields, and negotiate world-class pricing with all manufacturing partners. These are all key elements in NEXT's strategy to scale its business and deliver high quality products in its target markets.

Dan Cronin, formerly EVP of Engineering, was appointed Chief Operating Officer, tasked with integrating the development and manufacturing of NEXT's fingerprint sensor technology into a single, streamlined unit. Ravi Jagannath, previously with chip maker Cirrus Logic, was hired as SVP of Operations. NEXT's Chief of Staff and HR Officer, Zehira Sitbon-Dadon, also assumed responsibility for Sales & Operations Planning.



The capital raised during the quarter will be used for investments in product development, integration of sensors and surrounding technology in market-ready products, and lowering power consumption - all elements that are key to meeting demand in the smart card and government ID segments. NEXT has a detailed roadmap for executing these development projects, which are aligned with ongoing sales and marketing activity. Sampling the NB-4410 contact-based module for smart cards started in May, in line with the roadmap as previously communicated.



> INTERIM CONDENSED FINANCIAL STATEMENTS AS OF 31 MARCH 2018 (UNAUDITED)**PROFIT & LOSS STATEMENT****Revenues**

Operating revenue in the first quarter of 2018 was NOK 23.3 million, compared to NOK 24.7 million in the previous quarter and NOK 24.1 million in the first quarter of 2017.

Cost of goods sold and gross margin

Cost of goods sold were NOK 18.8 million in the first quarter of 2018, compared to NOK 25.6 million in the previous quarter and NOK 26.5 million in the first quarter of 2017.

The gross margin in the first quarter of 2018 was for the first time positive with NOK 4.5 million (+19%), compared to negative NOK 0.9 million (-4%) in the previous quarter and negative NOK 2.4 million (-10%) in the first quarter of 2017.

Operating expenses

Payroll expenses amounted to NOK 25.7 million in the first quarter of 2018, compared to NOK 26.0 million in the previous quarter and NOK 19.2 million in the first quarter of 2017. The decrease from the previous quarter of NOK 0.3 million was mainly due to decreased share-based remuneration and social security cost of NOK 2.6 million. This was partly offset by other payroll expenses increased with NOK 2.2 million.

Other operating expenses were NOK 17.6 million in the first quarter of 2018, compared to NOK 14.8 million in the previous quarter and NOK 21.3 million in the first quarter of 2017. The increase from previous quarter of NOK 2.8 million was mainly related to increased R&D related operating expenses.

The R&D costs included in other operating expenses increased to NOK 11.2 million in the first quarter of 2018, compared to NOK 7.1 million in the previous quarter and NOK 12.4 million in the first quarter of 2017. The increase from the previous quarter of NOK 4.1 million was mainly related to the NOK 5.0 million reduction in the fourth quarter of 2017 regarding granted public subsidies in connection with a Norwegian tax deduction scheme (SkatteFUNN).

Depreciation, amortisation and investments

Depreciation and amortisation amounted to NOK 2.0 million in the first quarter of 2018 compared to NOK 1.7 million in previous quarter and NOK 0.8 million in the first quarter of 2017. In the fourth quarter of 2017 NEXT wrote down the value of its first coating machine from 2014 by NOK 11.4 million to 0.

Investments were NOK 0.03 million in the first quarter of 2018, compared to NOK 9.5 million in the previous quarter and NOK 0.02 million in the first quarter of 2017. The main investments in 2017 were the coating machine in the second quarter and the cutting machine for flexible sensor production in the fourth quarter.

Net financial items

Net financial cost was NOK 1.5 million in the first quarter of 2018, compared to a net financial income of NOK 3.1 million in the previous quarter and a cost of NOK 0.6 million in first quarter of 2017. The increased cost from the previous quarter of NOK 4.6 million was mainly related to foreign exchange gains and losses.

Net profit (loss) for the period

Net loss in the first quarter of 2018 was NOK 42.3 million, compared to a loss of NOK 53.0 million in the previous quarter and a loss of NOK 44.3 million in the first quarter of 2017. The decreased loss from the previous quarter was mainly related to the write down effect of NOK 11.4 million in the fourth quarter of 2017, improved gross margins and higher R&D cost in the first quarter of 2018.

NEXT operated at a loss and did not incur deferred or payable income tax in the first quarter of 2018. In 2017, payable taxes of NOK 1.2 million related to foreign subsidiaries, were expensed in the fourth quarter.

CASH FLOW AND BALANCE SHEET

Cash and cash equivalents

Cash and cash equivalents amounted to NOK 108.6 million at the end of the first quarter of 2018, compared to NOK 79.7 million at the end of 2017.

Cash flow from operating activities was negative with NOK 36.6 million in the first quarter of 2018, compared to a negative amount of NOK 34.1 million in the previous quarter and a negative amount of NOK 37.3 million in the first quarter of 2017.

Net cash flow from financing activities was NOK 65.7 million in the first quarter of 2018 following the private placement of 1,638,000 new shares (tranche 1), compared to NOK 0 in the previous quarter and NOK 153.2 million in the first quarter of 2017 following a private placement of 1,167,000 new shares.

Tranche 2, following tranche 1 of the private placement, consists of NOK 51.2 million in gross proceeds and 1,219,142 new shares. The issuance of the new shares in tranche 2, was approved at the extraordinary general meeting 13 April 2018. There will be offered a repair issue of up to 200,000 new shares at a subscription price of NOK 42 early June, for those shareholders that were not qualified to participate in the private placement.

At the end of the first quarter of 2018, the Company's share capital was NOK 18,020,480, divided into 18,020,480 shares with a par value of NOK 1 per share.

After completing tranche 2, on 13 April 2018, the Company's share capital is NOK 19,239,672, divided into 19,239,672 shares with a par value of NOK 1 per share.

Equity

Equity amounted to NOK 189.8 million at the end of the first quarter of 2018, compared to NOK 165.1 million at the end of 2017. The increase of NOK 24.7 million was mainly related to the net proceeds of NOK 65.7 million from tranche 1 of the private placement of new shares, less the net loss of NOK 42.3 million in the first quarter.

Outlook

- Continued progression for India certification
- Integration in multiple customer smart card projects
- Sample FAP20 (government grade) sensor in Q4

Oslo, May 14, 2018
Board of directors
NEXT Biometrics Group ASA

NEXT BIOMETRICS GROUP ASA

CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
31 MARCH 2018

AMOUNTS IN NOK 1,000 PROFIT AND LOSS	NOTES	Q1-2018	Q1-2017	2017
Revenue				
Operating revenue	3	23 288	24 110	98 159
Total revenue		23 288	24 110	98 159
Cost of goods sold		18 823	26 477	104 014
Gross margin		4 465	-2 367	-5 855
Operating expenses				
Payroll expenses	4	25 698	19 206	89 343
Other operating expenses	4	17 566	21 281	68 063
Total operating expenses		43 264	40 487	157 406
Profit (loss) before tax, depreciation and amortization		-38 798	-42 854	-163 260
Amortization of intangible assets	5	1 013	141	751
Depreciation of tangible assets	6	946	677	4 012
Write-downs on tangible assets	6	0	0	11 397
Operating profit (loss)		-40 757	-43 672	-179 421
Net financial items		-1 539	-596	-190
Net profit (loss) before tax		-42 296	-44 268	-179 611
Taxes		0	0	-1 209
Net profit (loss) for the period		-42 296	-44 268	-180 820
Earnings per share - basic and diluted	8	-2.56	-2.78	-11.11
Other comprehensive income				
Items that will be reclassified to profit and loss				
Exchange rates differences		-212	17	-242
Total other comprehensive income		-212	17	-242
Total comprehensive income for the period		-42 508	-44 252	-181 062
Total comprehensive income for the period attributable from:				
Owners of the parent company		-42 508	-44 252	-181 062
Total		-42 508	-44 252	-181 062

NEXT BIOMETRICS GROUP ASA

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (UNAUDITED)
31 MARCH 2018

AMOUNTS IN NOK 1,000				
ASSETS	NOTES	31 MAR 2018	31 MAR 2017	31 DEC 2017
Non-current assets				
Patens and other intangible assets	5	20 441	19 164	21 454
Machinery and office equipment	6	28 354	15 540	30 086
Total non-current assets		48 795	34 703	51 540
Current assets				
Inventory		26 674	19 602	28 014
Receivables				
Accounts receivable		10 768	11 330	16 570
Other receivables		15 824	13 925	16 464
Prepayments other investments		3 081	15 662	3 070
Total receivables		29 673	40 917	36 103
Cash and cash equivalents		108 582	222 158	79 722
Total current assets		164 928	282 677	143 839
Total assets		213 723	317 380	195 379
EQUITY AND LIABILITIES				
Equity				
Share capital	7	18 020	16 382	16 382
Share premium		752 184	706 963	688 111
Other paid in capital		44 876	31 331	43 436
Retained earnings		-625 312	-465 056	-582 804
Total equity		189 769	289 620	165 126
Liabilities				
Current liabilities				
Accounts payable		16 251	19 058	21 631
Public duties payable		731	665	807
Other current liabilities		6 973	8 037	7 815
Total current liabilities		23 954	27 760	30 253
Total liabilities		23 954	27 760	30 253
Total equity and liabilities		213 723	317 380	195 379

NEXT BIOMETRICS GROUP ASA

CONDENSED INTERIM STATEMENTS OF CASH FLOW (UNAUDITED)
31 MARCH 2018

AMOUNTS IN NOK 1,000				
CASH FLOWS FROM OPERATING ACTIVITIES	NOTES	Q1-2018	Q1-2017	2017
Profit (loss) before taxes		-42 296	-44 268	-179 611
Taxes payable		0	0	-1 209
Share based remuneration (equity part)		1 440	3 550	15 655
Amortization of intangible assets	5	1 013	141	751
Depreciation of tangible assets	6	946	677	4 012
Write-down on tangible assets	6	0	0	11 397
Change in prepayments		-11	-2 100	10 492
Change in working capital items		2 297	4 667	-9 076
Net cash flows from operating activities		-36 611	-37 333	-147 588
Cash flows from investing activities				
Purchase of intangible assets	5	0	0	-2 900
Purchase of tangible assets	6	-28	-23	-29 256
Net cash flows from investing activities		-28	-23	-32 157
Cash flows from financing activities				
Share issue net of expenses		65 711	153 157	153 132
Net cash flows from financing activities		65 711	153 157	153 132
Translation differences		-212	17	-7
Net change in cash flows		28 859	115 817	-26 619
Opening cash balance		79 722	106 342	106 342
Closing cash balance		108 582	222 158	79 722

NEXT BIOMETRICS GROUP ASA

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)
31 MARCH 2018

AMOUNTS IN NOK 1,000	NOTES	SHARE CAPITAL	SHARE PREMIUM	OTHER PAID-IN CAPITAL	RETAINED EARNINGS	TOTAL EQUITY
Balance 1 January 2018		16 382	688 111	43 436	-582 804	165 126
Shares issue	7	1 638	64 073			65 711
Share based compensation				1 440		1 440
Translation differences					-212	-212
Net profit (loss)					-42 296	-42 296
Balance 31 March 2018		18 020	752 184	44 876	-625 312	189 769
Balance 1 January 2017		15 159	555 030	27 781	-420 804	177 165
Shares issue	7	1 224	151 933			153 157
Share based compensation				3 550		3 550
Translation differences					17	17
Net profit (loss)					-44 268	-44 268
Balance 31 March 2017		16 382	706 963	31 331	-465 056	289 620
Balance 1 January 2017		15 159	555 030	27 781	-420 804	177 165
Shares issue	7	1 224	151 909			153 132
Share based compensation				15 655		15 655
Translation differences					-7	-7
Net profit (loss)			-18 828		-161 992	-180 820
Balance 31 December 2017		16 382	688 111	43 436	-582 804	165 126

> NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS 31 MARCH 2018 (UNAUDITED)**1. General information**

NEXT Biometrics Group ASA ("NEXT") is a public limited liability company incorporated and domiciled in Norway. NEXT Biometrics Group ASA is the parent company of the Group with headquarter in Oslo, Norway.

Group operations are carried out by the operating subsidiaries. As at the end of the first quarter of 2018, the Group had five wholly owned operating subsidiaries: NEXT Biometrics AS (Norway) and its subsidiaries NEXT Biometrics, Inc. (Seattle, USA), NEXT Biometrics China, Ltd. (Shanghai, China), NEXT Biometrics Taiwan, Ltd. (Taipei, Taiwan) and NEXT Biometrics s.r.o (Prague, Czech Republic).

NEXT's shares are listed at Oslo Stock Exchange and is traded on the exchange's main list as part of the OSEBX index.

The purpose of the company as stated in the articles of association is to conduct research, development and commercialization of security products, as well as other activities that will naturally fall under this.

2. Basis of preparation, accounting policies

This condensed interim financial report for first quarters of 2018 has been prepared in accordance with IAS 34 "Interim financial reporting". The condensed interim financial report should be read in conjunction with the annual financial statements for 2017.

The IFRS accounting policies applied in this condensed interim financial report are consistent with those applied and described in the annual financial statements for 2017.

The going concern assumption has been applied when preparing this financial report. By the end of the first quarter of 2018, NEXT earned revenue from commercial volumes with positive gross margins, but still at rather modest levels. In March 2018, NEXT raised NOK 120 million in gross proceeds in a private placement. The private placement was divided into two tranches. Tranche 1 consisted of NOK 68.8 million and was finalized under the current board authorisation. Tranche 2 consisted of NOK 51.2 million. The issuance of the new shares in tranche 2 was approved at the extraordinary general meeting 13 April 2018. NEXT has adequate equity and liquidity for being a going concern for longer than 12 months from the date of this report.

This interim financial report has not been subject to audit.

The Board of Directors approved the report on 14 May 2018.

3. Revenue and segment reporting

OPERATING REVENUE - PER BUSINESS SEGMENT (AMOUNTS IN NOK)	2018 YTD-Q1	2017 YTD-Q1	2017
Fingerprint sensor technology	23 287 953	24 109 875	98 159 357
Total	23 287 953	24 109 875	98 159 357

NEXT targets four markets for the technology;

- (i) Smart Cards
- (ii) Government ID
- (iii) Access Control
- (iv) Notebooks

The available technology is generic into the four market segments. Since NEXT has limited revenues it is operating and reporting only in one business segment; *Fingerprint sensor technology*.

4. Operating expenses

PAYROLL EXPENSES (AMOUNTS IN NOK)	2018 YTD-Q1	2017 YTD-Q1	2017
R&D related payroll expenses	15 493 479	9 505 597	46 067 673
Other payroll expenses	8 340 995	7 590 148	31 273 787
Share based remuneration (salary part)	2 319 830	3 509 667	14 459 405
Share based remuneration (employer's tax)	-456 330	-1 399 347	-2 457 668
Total	25 697 974	19 206 065	89 343 197

OTHER OPERATING EXPENSES (AMOUNTS IN NOK)	2018 YTD-Q1	2017 YTD-Q1	2017
R&D related operating expenses	11 204 529	12 372 844	36 022 782
Other expenses	7 244 923	8 894 637	30 866 069
Share based remuneration (operating part)	-883 907	13 437	1 173 779
Total	17 565 545	21 280 918	68 062 630

Total - Operating expenses	43 263 519	40 486 983	157 405 827
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5. Intangible assets

Intangible assets consist of acquisition of right to use the patent and know-how (IP) described as the Active Thermal Sensing principle. The acquisition was recognized at net present value and included in the opening balance as of 1 January 2012.

In addition, intangible assets consist of the investments in new ASIC from 2016, with with additional investments in 2017.

INTANGIBLE ASSETS (AMOUNTS IN NOK)	2018 YTD-Q1	2017 YTD-Q1	2017
Cost - Opening balance	23 295 281	20 394 861	20 394 861
Additions	0	0	2 900 420
Disposals at cost	0	0	0
Currency adjustments	0	0	0
Cost - Closing balance	23 295 281	20 394 861	23 295 281
Accumulated depreciation - Opening balance	1 841 280	1 089 972	1 089 972
Depreciation	1 013 058	141 335	751 308
Accumulated depreciation of disposed items	0	0	0
Currency adjustments	0	0	0
Accumulated depreciation - Closing balance	2 854 338	1 231 307	1 841 280
Book value - Closing balance	20 440 943	19 163 554	21 454 001

Depreciation period (straight line) years	3-12	3-12	5-12
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The patent is amortized over the patent life from recognition in the opening balance 1 January 2012.

The investment in new ASIC is amortized over 3 years.

6. Tangible assets

MACHINERY AND EQUIPMENT (AMOUNTS IN NOK)	2018 YTD-Q1	2017 YTD-Q1	2017
Cost - Opening balance	52 080 242	22 948 697	22 948 697
Additions	27 928	23 439	29 432 646
Disposals at cost	0	0	0
Currency adjustments	-1 100 848	-58 041	-301 100
Cost - Closing balance	51 007 322	22 914 095	52 080 242
Accumulated depreciation - Opening balance	21 994 099	6 709 434	6 709 434
Depreciation	945 778	677 137	4 012 401
Accumulated depreciation of disposed items	0	0	0
Write-downs	0	0	-11 396 980
Currency adjustments	-286 238	-12 063	-124 716
Accumulated depreciation - Closing balance	22 653 639	7 374 508	21 994 099
Book value - Closing balance	28 353 683	15 539 588	30 086 144
Depreciation period (straight line) years	3-10	3-10	3-10

The additions in 2017, consisted of the coating machine in the second quarter and the cutting machine for flexible sensors in the fourth quarter.

7. Shares and incentive options

NUMBER OF SHARES OUTSTANDING	2018 YTD-Q1	2017 YTD-Q1	2017
Opening balance	16 382 480	15 158 980	15 158 980
Share issue(s)	1 638 000	1 167 000	1 167 000
Exercised incentive options	0	56 500	56 500
Closing balance	18 020 480	16 382 480	16 382 480

In March 2018, NEXT raised NOK 120 million in gross proceeds in a private placement. The private placement was divided into two tranches. Tranche 1, finalized under the current board authorisation, consisted of 1.638.000 new shares at subscription price of NOK 42. This corresponded to a total gross amount of NOK 68.8 million. Expenses and commission fee connected with tranche 1 of the placement amounted to NOK 3.1 million and net proceeds were NOK 65.7 million.

Tranche 2 consisted of 1.219.142 new shares at a subscription price of NOK 42, corresponding to a total gross amount of NOK 51.2 million. The issuance of the new shares in tranche 2 was approved at the extraordinary general meeting on 13 April 2018.

Share options

The Company has entered into, and plan to continue to enter into, stock option agreements in order to attract talented, experienced and high value networked human resources. NEXT has three different option programs; unconditional long-term share options, milestone based share options and conditional long-term share options.

In the first quarter of 2018 no new share options were granted.

In April 2018, the following primary insider was allotted conditional share options:

Dan Cronin (Chief Operating Officer) was allotted 10,000 conditional options at a strike price NOK 43.23. After grant, Dan Cronin holds total 55,000 conditional options and 0 shares.

OPTIONS	2018 YTD-Q1	2017 YTD-Q1	2017
Opening balance	1 504 717	1 333 811	1 333 811
Grant of incentive options	0	75 000	526 000
Exercised incentive options	0	-56 500	-56 500
Forfeited incentive options	-52 668	-12 500	-38 750
Expired incentive options	0	0	0
Adjusted quantity ¹	0	0	-259 844
Closing balance	1 452 049	1 339 811	1 504 717

¹Adjusted quantity of 259,844 in 2017 represents the adjustment for the probability of all conditions related to the granted share options being met.

	SHARES	WEIGHTED AVERAGE EXERCISE PRICE	SHARES	WEIGHTED AVERAGE EXERCISE PRICE	SHARES	WEIGHTED AVERAGE EXERCISE PRICE
OPTIONS	YTD-Q1 2018		YTD-Q1 2017		2017	
Outstanding - Beginning of period	1 504 717	63.08	1 333 811	59.63	1 333 811	59.63
Granted	-	-	499 500	87.23	526 000	83.78
Exercised	-	-	-56 500	36.73	-56 500	36.73
Cancelled	-	-	-	-	-	-
Forfeited	-2 668	187.00	-36 750	155.40	-38 750	143.00
Expired	-	-	-	-	-	-
Adjusted quantity	-50 000	40.00	-246 595	85.87	-259 844	83.90
Modification / Dividends	-	-	-	-	-	-
Outstanding - End of period	1 452 049	63.65	1 493 466	63.94	1 504 717	63.08
Vested options - End of period	1 054 127	42.66	981 811	31.07	1 104 127	42.54

	SHARES	WEIGHTED AVERAGE FAIR VALUE	SHARES	WEIGHTED AVERAGE FAIR VALUE	SHARES	WEIGHTED AVERAGE FAIR VALUE
Granted Options - During the period	-	-	499 500	44.23	526 000	44.64

	SHARES	INTRINSIC VALUE	SHARES	INTRINSIC VALUE	SHARES	INTRINSIC VALUE
Outstanding options - End of the period	474 004	12 856 769	734 135	19 138 228	974 101	29 396 108
Vested options - End of the period	474 004	12 856 769	701 135	19 095 328	965 811	29 283 082

8. Profit (loss) per share

When the period result is a loss, the loss per diluted number of shares shall not be reduced by the higher diluted number of shares but equals the result per basic number of shares.

The diluted number of shares has been calculated by the treasury stock method. If the exercise price of incentive options exceeds the average price per share in the period, the incentive options are not counted as being dilutive.

	2018 YTD-Q1	2017 YTD-Q1	2017
Profit (loss) attributable to the shareholders (NOK)	-42 295 969	-44 268 290	-180 819 916
Number of ordinary shares issue at 31 December	18 020 480	16 382 480	16 382 480
Weighted average basic number of shares	16 546 280	15 925 486	16 269 796
Weighted average diluted number of shares	18 308 662	17 267 497	17 834 728
Profit (loss) per share (NOK)	-2.56	-2.78	-11.11

9. Related party transactions

At the Annual General Meeting in May 2017, Tore Etholm-Idsøe was elected as chairman of the Board and in accordance with the nomination committee recommendation. The Annual General Meeting decided to approve the monthly consideration of NOK 180,000 to Tore Etholm-Idsøe (through his wholly-owned company, Eurostores AS) pursuant to the consulting agreement between Eurostores AS and the Company that applies from the Annual General Meeting in 2017 to 30 June 2018.

10. Risk management

A description of risk factors can be found in Note 2 of NEXT Biometrics Group ASA's 2017 annual report.

11. Events occurring after the balance sheet date

In March 2018, NEXT raised NOK 120 million in gross proceeds in a private placement. The private placement was divided into two tranches. Tranche 1 consisted of NOK 68.8 million, with 1,638,000 new shares at a subscription price of NOK 42, and was finalized under the current board authorization by the end of the first quarter of 2018. Tranche 2 consisted of NOK 51.2 million, with 1,219,142 new shares at a subscription price of NOK 42. The issuance of the new shares in tranche 2 was approved at the extraordinary general meeting 13 April 2018.

Between 31 March 2018 and the resolution of these condensed consolidated interim financial statements, there has not been any other event which have had any noticeable impact on NEXT's result in the first quarter of 2018 or the value of the Company's assets and liabilities at 31 March 2018.

Oslo, May 14 2018
Board of directors
NEXT Biometrics Group ASA

Tore Etholm-Idsøe
Chairman

Svenn-Tore Larsen
Board member

Brita Ellertsen
Board member

Emine Lundkvist
Board member

Emanuel Lang
Board member

Ritu Favre
CEO



Visit **www.nextbiometrics.com** or contact us:

ABOUT NEXT BIOMETRICS: NEXT provides secure easy-to-use fingerprint sensor technology for authentication in the smart card, government ID, access control and notebook markets. The company's patented *NEXT Active Thermal™* principle allows the development of large, high quality fingerprint sensors in both rigid and flexible formats. NEXT Biometrics Group ASA (www.nextbiometrics.com) is headquartered in Oslo, with sales, support and development operations in Seattle, Silicon Valley, Taipei, Prague and Shanghai.

NEXT BIOMETRICS AS

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